GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:20
ANSWERED ON:25.07.2005
INVESTMENT IN AGRICULTURE SECTOR
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether no thrust is being given to investment in the agriculture sector;

(b) if so, the reasons therefor;

(c) whether investment in the agriculture sector can remove the poverty and unemployment of rural India; and

(d) if so, the steps being taken by the Government to promote investment in the agriculture sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a)&(b): No, Sir. In order to raise the level of investment in agriculture sector including the allied sectors of forestry, logging and fishing, the Plan outlay of the Ministry of Agriculture has been raised by 43% from Rs.4192 crore in 2004-05 (Budget Estimates) to Rs.5998 crore in 2005-06 (Budget Estimates).

(c)&(d): People engaged in agriculture constitute the majority of rural population. About 62% of the farmers operate marginal holdings of less than 1 hectare, while about 19% operate holdings of 1-2 hectares. Government has, therefore, been implementing a number of schemes covering price support aimed at ensuring remunerative prices for major agricultural commodities, compensation for crop loss, subsidized inputs, etc. Experience shows that the factors contributing to the poor economic lot of Indian farmers include poor marketing infrastructure, low levels of investment in irrigation and inadequate flow of credit to agriculture.

he Union Budget for 2005-06 has, therefore, proposed further step up in credit flow to agriculture, and introduced new schemes for promoting horticulture and marketing.

(i) Accelerated Irrigation Benefit Programme (AIBP): It was launched in 1996-97 to encourage the states for completion of on-going irrigation projects through Central Loan Assistance. This has been reviewed recently and the focus has been on completion of last mile projects. In 2005-06 an outlay of Rs.4800 crore has been provided to improve the pace of implementation compared with Rs.2800 crore in 2004-05.

(ii) Micro Irrigation: Rs.400 crore has been allocated for promoting micro irrigation through crop and sprinkler irrigation in the year 2005-06 to enhance water use efficiency. There is also an outlay of Rs.200 crore for Enhancing Sustainability of Dryland Rainfed Farming System and Rs.100 crore for National Mission on Bamboo Technology and Trade Development.

(iii) Agricultural Credit: The banking sector comprising cooperative banks, regional rural banks and commercial banks disbursed Rs.1,15,243 crores in 2004-05, which is to be raised by 30% in 2005-06.

(iv) National Horticulture Mission: A sum of Rs.630 crore have been provided for promoting research, production, post harvest management, processing and marketing in an integrated manner.

(v) Development/Strengthening of Agricultural Marketing infrastructure, Grading and Standardization: A sum of Rs.72 crore has been allocated to attract large investment from private and cooperative sectors to set up agricultural markets, marketing and support services such as grading, standardization etc.

(vi) Agricultural Research: A sum of Rs.1150 crore has been provided for agricultural research and education in 2005-06 compared with Rs.1000 crore in 2004-05.